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SENATE BILL NO. 476

Offered January 24, 2000

A BILL to amend and reenact §§ 58.1-1720, 58.1-1721, and 58.1-1724 of the Code of Virginia, relating to motor vehicle fuels sales tax in certain planning districts.

Patron—Howell

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-1720, 58.1-1721, and 58.1-1724 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-1720. Sales tax on fuel in certain transportation and planning districts.

A. There is hereby levied, in addition to all other taxes imposed on fuels subject to tax under Chapter 21 (§ 58.1-2100 et seq.) of this title, in every county or city which is a member of any transportation district in which a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass transportation system are owned, operated or controlled, by an agency or a commission as defined in ~~§15.1-1344~~ 15.2-4502, or in any transportation district which is subject to ~~§15.1-1357 (b)~~ (6) 15.2-4515 C and which is contiguous to the Northern Virginia Transportation District, a sales tax of two percent of the retail price of such fuels sold within such county or city. As used in this section, "retail sale" means a sale to a consumer or to any person for any purpose other than resale.

B. In addition to the tax imposed under subsection A, an additional sales tax of ten cents shall be levied in every county or city in the Northern Virginia Planning District on motor fuels sold within the district if approved by a majority of those voting in a referendum in the counties and/or cities of such district.

C. The referendum shall be held in accordance with § 24.2-684 and may be initiated either by a resolution of the governing body of the county or city or on the filing of a petition signed by a number of registered voters of the county or city equal in number to five percent of the number of voters registered in the county or city on January 1 of the year in which the petition is filed with the circuit court of such county or city. The clerk of the court shall publish notice of the election in a newspaper of general circulation in the county or city once a week for three consecutive weeks prior to the election. The ballot used shall be printed to read as follows:

"Shall an additional local sales tax of ten cents on motor fuels be levied in the Northern Virginia Planning District and be returned to each county and city within the Northern Virginia Planning District to be used for transportation purposes in accordance with § 58.1-1724 of the Code of Virginia?"

☐ Yes

☐ No

If the voters in such counties and/or cities by majority vote approve, the ten cents additional sales tax may be imposed in all of the counties and/or cities in the district upon the adoption of an ordinance by the governing bodies of such counties and/or cities, provided such ordinance shall include a sunset date five years after the date the ordinance is adopted. Such sunset date may be extended and the additional tax imposed beyond the original five-year period if approved through a referendum in accordance with this section. No ordinance shall be repealed until all debts or other obligations of the county or city to which such revenues are pledged or otherwise committed have been paid or provision has been made for payment.

BD. The ~~tax~~ taxes imposed under this section shall be subject to the provisions of the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), except that the exemption provided for motor vehicle fuels under § 58.1-609.13, and the bracket system provided in such act, shall not be applicable.

§ 58.1-1721. Reduction of local taxes.

In the first full fiscal year in which the tax is levied, the governing body of each county or city in which such tax is levied shall reduce the rate of its real estate tax, or its real estate and other locally levied taxes, in an amount that will reduce tax revenues in the following year by an amount equal to the amount which has been or would have been allocated by the local governing body to the county or city for rail and bus services but is, as a result of the imposition of this tax, paid by the Commission. As used in this section, "allocated" ~~shall mean~~ means the amount which a local governing body has agreed to pay or agrees would be an equitable share of the costs of rail and bus service to be attributed to its jurisdiction.

60 The amount of the tax reduction shall be calculated by subtracting the amount collected at the  
61 reduced rates from the amount which would have been collected at the tax rates in effect for the tax  
62 year immediately prior to the year in which the rates are reduced. Such reduced rate shall not be raised  
63 during the entire tax year for which the tax rate is reduced, but may be raised subsequently.

64 *The provisions of this section shall not apply to any additional motor fuels sales tax imposed in*  
65 *accordance with subsections B and C of § 58.1-1720.*

66 § 58.1-1724. Disposition of tax revenues.

67 ~~At~~ A. *Except as provided in subsection B, all taxes paid to the Commissioner pursuant to this*  
68 *article, after subtraction of the direct costs of administration by the Department, shall be deposited in a*  
69 *special fund ~~entitled~~ titled the "Special Fund Account of the Transportation District of....."* The amounts  
70 deposited in the special fund shall be distributed monthly to the applicable transportation district  
71 commission of which the county or city is a member to be applied to the operating deficit, capital and  
72 debt service of the mass transit system of such district or, in the case of a transportation district subject  
73 to the provisions of § ~~15.1-1357 (b)~~ (6) 15.2-4515 C, to be applied to and expended for any  
74 transportation purpose of such district. In the case of a jurisdiction which, after July 1, 1989, joins a  
75 transportation district which was established on or before January 1, 1986, and is also subject to §  
76 ~~15.1-1357 (b)~~ (6) 15.2-4515 C, the funds collected from that jurisdiction shall be applied to and  
77 expended for any transportation purpose of such jurisdiction. The direct costs of administration shall be  
78 credited to the funds appropriated to the Department.

79 B. *The revenues collected from any additional motor fuels sales tax imposed in accordance with*  
80 *subsection B and C of § 58.1-1720 shall be distributed directly to each locality in the district in*  
81 *proportion to the share the locality receives of the total urban and secondary funds allocated to such*  
82 *district and shall be used for transportation and transportation-related services and expenditures of the*  
83 *locality.*